

MT LEGISLATIVE HISTORY

Chapter 323 1974

Bill H _____ S 679

Original bill & hist. C

H. Committee on Business & Industry

S. Committee on Labor & Employment Relations

Hearing Date(s) Mar 04 ✓ C

Hearing Date(s) Feb 04 ✓ C

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Feb 18 ✓ C

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Date Out Mar 04 ✓ C

Feb 18 ✓ C

Did this bill originate in an interim committee? Yes No

Committee _____

Report _____

MINUTES OF THE MEETING
LABOR AND EMPLOYMENT RELATIONS COMMITTEE
MONTANA STATE SENATE

February 4, 1974

The meeting of the Labor and Employment Relations Committee was called to order by Chairman Siderius on the above date in Room 402 of the State Capitol Building at 8:30 a.m.

ROLL CALL: All members present with Senators Flynn, Keenan and Bennett being excused.

CONSIDERATION OF SENATE BILL 704: Senator Moritz presented his bill to the Committee. He also introduced William Scribner, representing the Montana Contractor's Association. This bill is simply a clarification. It makes it clear that a non-resident contractor cannot avail himself of the 3% preference.

No opponents were present at the hearing.

DISCUSSION OF SENATE BILL 704: A short discussion was held concerning this bill. No committee members were opposed.

DISPOSITION OF SENATE BILL 704: Senator Lowe moved SB 704 DO PASS, seconded by Senator Bertsche. MOTION CARRIED UNANIMOUSLY.

CONSIDERATION OF SENATE BILL 679: Senator Moore and Senator Turnage appeared in favor of this bill. Mrs. Josephine Driscoll, Department of Insurance, stated that there used to be a \$10,000 limit and a 5 year limit on time. The \$10,000 has been deleted and the 5 year limit has been changed to 10 years; this was done in the last 8 years or so. Senator Bertsche thinks the 10 years has to be deleted, as it is in this bill, because such things as mobile homes are now financed for more than 10 years.

Senator Siderius asked if we could perhaps make this too stringent. Senator Turnage stated that this is such a lucrative business that he didn't think any of the companies would leave the state.

Senator Moore stated that if the Committee felt this bill had some merit, he and Senator Turnage would work on some amendments relative to inserting a limit, and report back to the committee at a later date.

CONSIDERATION OF SENATE BILL 489: Senator Hazelbaker appeared before the committee with a prepared amendment to SB 489. He also presented a letter that is being sent to small corporations. (attached). The division of workman's compensation had prepared some proposed regulations but Senator Hazelbaker felt that it should be spelled out in the law. (See committee report for amendment).

CONSIDERATION OF SENATE BILL 544: Senator Hazelbaker appeared with amendments to SB 544. (See committee report).

DISPOSITION OF SENATE BILL 544: Senator Lowe moved the amendments to SB 544, be adopted, seconded by Senator Himsel. MOTION CARRIED UNANIMOUSLY, with Senators Flynn, Keenan and Bennett excused.

Senator Lowe moved that SB 544 DO PASS AS AMENDED, seconded

COMMITTEE ON

BILL NO

VISITOR'S REGISTER

NAME	REPRESENTING	BILL NO.	Check One	
			SENATOR	HOUSE
Ernest Post	Montana Oil & Gas			
Bill Scribner	Montana Contractors Assn	SB 704	X	
Georgianus		LB 700		X
Thomas H. Hurd		LB 700		X
Joseph C. Haggell	John H. Haggell, Oil & Gas	SB 679		
J. A. Tinsavage		SB 679		X
J. B. Tinsavage		SB 679		X
J. B. Tinsavage		SB 679		X
J. B. Tinsavage		SB 679		X

(Please have prepared statement with Secretary)

ROLL CALL

LABOR AND EMPLOYMENT COMMITTEE

SECOND HALF - 43rd LEGISLATIVE SESSION 1974

Date 2/4/74

NAME	PRESENT	ABSENT	EXCUSED
Jensen, Art	✓		
Bertson, Bill	✓		
Flynn, Elmer			—
Keenan, P. J.			—
Shea, Jimmy	✓		
Bennett, George			✓
Hinsl, Matt	✓		
Lowe, Bill	✓		
Moore, Jim	✓		
McNamer, William	✓		
Siderius, George	✓		

MINUTES OF THE MEETING
LABOR AND EMPLOYMENT RELATIONS COMMITTEE
- MONTANA STATE SENATE

February 18, 1974.

The meeting of the Labor and Employment Relations Committee was called to order by Chairman Siderius on the above date in Room 402 of the State Capitol Building at 8:30 a.m.

ROLL CALL: Eight members of the committee were present with Senators Bennett, Flynn and McNamer absent.

CONSIDERATION OF HOUSE BILL 925: Barbara Bennetts, representative of District #12 appeared before the committee. This is just a house cleaning bill to clear up some language and deleting the fees. Mr. Norm Grosfield also explained to the committee, the workings of this bill and the purpose.

A short discussion was held following the presentation of witnesses.

CONSIDERATION OF HOUSE BILL 907: Tony Softich of the Labor Standards Division appeared before the committee. (copy of testimony attached).

CONSIDERATION OF HOUSE BILL 843: Norm Grosfield of the Workmen's Compensation Division appeared before the committee for Representative Kimble, who was unable to appear. The average cost for a funeral is \$1500. The House amended this bill to be \$1500 and then amended it to read \$1100. The workmen's compensation division pays any unpaid balance after the VA payment, social security burial benefit etc., has been paid. This bill was suggested by the advisory council. Mr. George Wood obtained the figures from morticians in Missoula and Mr. Grosfield obtained the figures in Helena. Mr. Zanto stated that all their division wanted to do was defray the cost of the funeral.

Senator Bertsche felt that this is simply a mortician's relief bill. Senator Lowe suggested that this bill be rewritten with a \$1100 total and that we only pay what noone else pays.

CONSIDERATION OF HOUSE BILL 915: Representative Kimble was not able to appear at the committee hearing so Ernie Post of the AFL-CIO spoke in favor of this bill. This would simply allow grocery boys to carry beer to the person's door in the course of his employment so there would be no problem of the boy being picked up for being in possession of beer. Tony Softich also supported this bill.

DISPOSITION OF HOUSE BILL 915: Senator Jensen moved that HB 915 BE CONCURRED IN, seconded by Senator Keenan. Motion carried unanimously.

CONSIDERATION OF SENATE BILL 679: Senator Moore was to work on some amendments for this bill limiting the amount. Amendments were submitted to the committee. Senator Moore also suggested deleting "credit disability insurance" however, the committee felt this should be left in the bill and subsection (2) amended to include the limit of \$15,000.

February 18, 1974

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An amendment will be prepared per the committee's wishes.

DISPOSITION OF SENATE BILL 679:

Senator Moore moved that the amendments to SB 679 BE ADOPTED, seconded by Senator Shea. Motion carried unanimously.

Senator Bertsche moved that SB 679 AS SO AMENDED DO PASS. Seconded by Senator Keenan. Motion carried unanimously.

DISPOSITION OF HOUSE BILL 843: Senator Jensen moved that HB 843 BE CONCURRED IN. The committee members felt that this bill should have a little more consideration and in view of the fact there is time to do so, the bill will be held in committee for awhile. Senator Jensen withdrew his motion.

DISPOSITION OF HOUSE BILL 925: Senator Shea moved that HB 925 BE CONCURRED IN, seconded by Senator Jensen. Motion carried unanimously.

DISPOSITION OF HOUSE BILL 907: Senator Moore would like to look over this bill a little more closely and perhaps put a limit on the commissioner as well. Bertsche moved that this bill be held in committee until a later date.

Senator Bertsche will carry HB 915.

Meeting adjourned at 9:35 a.m.


GEORGE SIDERIUS, Chairman

ROLL CALL

LABOR AND EMPLOYMENT COMMITTEE

SECOND HALF - 43rd LEGISLATIVE SESSION 1974

Date 2/16/74

NAME	PRESENT	ABSENT	EXCUSED
Jensen, Art	✓		
Bertsche, Bill	✓		
Flynn, Elmer			3
Keenan, P.J.	✓		
Shea, Jimmy	✓		
Bennett, George			
Hims1, Matt	✓		
Lowe, Bill	✓		
Moore, Jim	✓		
McNamer, William			
Siderius, George	✓		

BUSINESS AND INDUSTRY COMMITTEE

March 4, 1974

The Business and Industry Committee meeting was called to order this date at 10:00 a.m. with Chairman Mehrens presiding. Rep Rolfe was excused and Reps Lockrem and Mercer were absent.

SB 679 - Senator Moore, chief sponsor, explained the bill. He said it was introduced to require that the credit of life insurance shall not exceed the indebtedness. Phil Bird, ALIA, opposed the bill (see attachment). He also stated that it would substantially change the laws for the credit field as far as providing life insurance.

SJR 63 - Senator Bollinger, chief sponsor, spoke in favor of the resolution. He stated that Montana rail rates seemed out of line and that this resolution could help alleviate the problem. There were no opponents.

SB 649 - Senator Bollinger, chief sponsor, introduced Geoffrey L. Brazier, who explained the bill. Mr. Brazier stated that this bill was one of three bills that deal with the act of giving notice of public hearings by the PSC to make the public aware of the availability of the Consumer Counsel to serve the public. SB 648 and SB 649 are identical except one relates to railroads and one to utilities. There were no opponents.

SB 694 - Senator Bollinger, chief sponsor, explained the bill. This bill provides the financing of notices of public hearings regarding the public convenience and necessity for granting motor carrier authority. The motor carrier would also have to make reference to the availability of the Montana Consumer Counsel in notices of hearings. There were no opponents.

SB 570 - Senator Devine, chief sponsor, explained the bill (see attachments). Al Dougherty, Montana Beer Wholesalers Assn, rose in support of the bill. He said that under this bill brewers would be required to deal with all wholesalers on an equitable basis. Section 2 explains what areas the discrimination could occur in and what can be prevented. Section 3 puts in language the provisions that no licensed beer wholesaler shall sell or deliver beer to any retail beer licensee unless the wholesaler shall have filed with the department of revenue a schedule of list prices to be charged the retail beer licensees for all brands and container sizes. Section 4 provides that an increase or reduction shall continue in force and effect for at least 60 days. Twenty-one states have enacted similar legislation. Other proponents included Chan Libbey, Sr., Leon J. Messerly and Glenn E. Fink (see attachments).

Brady, who introduced an opposition. He stated that this bill would stop all sales promotions in the beer industry.

SB 670 - Senator Devine, chief sponsor, introduced Al Dougherty, who explained the bill. The bill would set contract provisions, allow transfers of interest in wholesaler business, delineate when a contractual relationship exists, grant injunctive relief and provide that all agreements, contracts or franchises be filed with the department of revenue. Other proponents included Chan Libbey, Sr., Leon J. Messerly and Glenn R. Fink. The United States Brewers Association opposed the bill (see attachment).

SJR 63 - Rep Manuel moved that SJR 63 BE CONCURRED IN. The motion was withdrawn. Rep Selstad moved to amend SJR 63 in the title on page 1, line 5, after the word "MONTANA" by omitting the word "DIRECTING" and inserting in lieu thereof the word "REQUESTING". The motion passed. Rep Manuel then moved that SJR 63 AS SO AMENDED BE CONCURRED IN. The motion carried. Rep Manuel will carry it on the floor.

SB 649 - Rep Harper moved that SB 649 BE CONCURRED IN. Rep Swanberg seconded and the motion passed. Rep Harper will carry it on the floor.

SB 694 - Rep Kessner moved that SB 694 BE NOT CONCURRED IN. Rep Harper made a substitute motion that SB 694 BE CONCURRED IN. Rep Quilici seconded and the motion carried with Reps Kessner and Selstad voting no. Rep Quilici will carry it on the floor.

SB 570 - Rep Swanberg moved that SB 570 BE NOT CONCURRED IN. The motion carried with Reps Kessner, Manuel and Laas voting no and Reps Driscoll and Quilici abstaining.

SB 670 - Rep Lien moved that SB 670 BE NOT CONCURRED IN. Rep Regan made a substitute motion to hold SB 670 until Wednesday, March 6. The motion was then withdrawn. Roger Tippy, Legislative Council, submitted an amendment (attached). Rep Swanberg moved the adoption of the amendment. The motion passed. Rep Swanberg then moved that SB 670 AS SO AMENDED BE CONCURRED IN. The motion carried with Reps Driscoll, Lien and Selstad voting no. Rep Swanberg will carry it on the floor.

SB 679 - Rep Regan moved to amend SB 679 on page 17 section 1, after the word "chapter" on line 18, by reinserting the stricken material as follows: "except such insurance sold in connection with a loan or other credit transaction of more than ten (10) years duration". Rep Lien seconded and the motion carried. Rep Regan moved that SB 679 AS SO AMENDED BE CONCURRED IN. The motion carried with Reps Kessner and Selstad voting no and Reps Driscoll and Manuel abstaining. Rep Regan will carry it on the floor.

The meeting adjourned at 2:15 p.m.

S.B. 679

AMENDMENT

The first would delete the present 10-year scope limitation, thus subjecting all insurance sold in connection with credit transactions to the requirements of the Act. Of particular concern would be the application of the credit insurance law to credit life and credit health insurance sold in connection with real estate mortgage transactions. Typically these policies are not associated with the kinds of problems that have arisen in the consumer finance or small loan transactions. This is so because the amount of coverage is substantially larger and because the method of marketing is different. In addition, the policies are quite often more closely related to ordinary life policies, and credit insurance rate regulation is neither appropriate nor necessary.

AMENDMENT

The second change would substitute wording which would require the amount of coverage to be equal to the outstanding indebtedness. If the amount payable in the event of death or disability has to equal the indebtedness, this would pose serious problems. In the case of longer term loans, it is quite common to provide disability benefits only for a limited period of time, such as 5 or 10 years. Very few companies market credit disability policies for a longer period because of adverse experience. If required to do so the premium may be so high as to effectively dry up the market and force companies to cease making coverage available.

WITNESS STATEMENT

Name Jim MooreAddress 1000 OakRepresenting SenateWhich Bill? SB 679

Comments:

Date 3/4/74Support? ✓Oppose? Amend?

Please leave prepared statement with the committee secretary.

Section 5. There is a new section to be numbered 4-317.6, R.C.M. 1947, which reads as follows:

4-317.6. **Injunctive relief — when granted.** Any court of competent jurisdiction may enjoin the cancellation or termination of a franchise or agreement between a wholesaler and a brewer at the instance of a wholesaler who is or would be adversely affected by the cancellation or termination. In granting an injunction, the court shall provide that the brewer shall not supply the customers or territory of the wholesaler who is servicing the territory or customers through other distributors or means while the injunction is in effect.

Section 6. There is a new section to be numbered 4-317.7, R.C.M. 1947, which reads as follows:

4-317.7. **Agreements filed with department of revenue.** An exact copy of all agreements, contracts or franchises between a brewer and a wholesaler shall be filed with the department of revenue as a public document and shall be available to any of the parties to a dispute. The department, upon the instigation of any action in a court of record, shall file an exact certified copy of the agreement with the court for the court's consideration in determining any matter before it. Any contracts, agreements or franchises not upon record with the board shall not be considered by any court as having any force or effect.

Section 7. There is a new section to be numbered 4-317.8, R.C.M. 1947, which reads as follows:

4-317.8. All acts and parts of acts in conflict with this act are hereby repealed.

Approved March 28, 1974

CHAPTER NO. 323

AN ACT EXTENDING THE REGULATION OF CREDIT LIFE INSURANCE AND CREDIT DISABILITY INSURANCE; AND REQUIRING THE AMOUNT OF INSURANCE IN CERTAIN POLICIES TO EQUAL THE AMOUNT OF INDEBTEDNESS; AMENDING SECTIONS 40-4203 AND 40-4206, R.C.M. 1947.

Be it enacted by the Legislature of the State of Montana:

Section 1. Section 40-4203, R.C.M. 1947, is amended to read as follows:

"40-4203. **Scope of chapter.** All life insurance and all disability insurance sold in connection with loans or other credit transactions shall be subject to the provisions of this chapter except such insurance sold in connection with a loan or other credit transaction of more than ten (10) years duration."

Section 2. Section 40-4206, R.C.M. 1947, is amended to read as follows:

"40-4206. **Amount of credit life insurance and credit disability insurance.** (1) Credit life insurance: The amount of credit life insurance shall be equal to the indebtedness, provided that the original indebtedness does not exceed the sum of fifteen thousand dollars (\$15,000). If the original indebtedness exceeds the sum of fifteen thousand dollars (\$15,000), the amount of credit life insurance shall not exceed the indebtedness. Where indebtedness repayable in substantially equal installments is secured by an individual policy of credit life insurance the amount of insurance shall not exceed the approximate unpaid indebtedness on the date of death and, where secured by a group policy of credit life insurance shall not exceed the exact amount of unpaid indebtedness on such date. Except, that agricultural loans not exceeding one year may be written up to the amount of the loan commitment on a nondecreasing or level term plan.

(2) Credit disability insurance: The amount of periodic indemnity payable by credit disability insurance in the event of disability, as defined in the policy, shall be equal to the aggregate of the periodic scheduled unpaid installments of indebtedness and shall not exceed the original indebtedness divided by the number of periodic installments, provided that the original indebtedness does not exceed the sum of fifteen thousand dollars (\$15,000). If the original indebtedness exceeds the sum of fifteen thousand dollars (\$15,000), the amount of periodic indemnity payable by credit disability insurance in the event of disability, as defined in the policy, shall not exceed the aggregate of the periodic scheduled unpaid installments of indebtedness and shall not exceed the original indebtedness divided by the number of periodic installments."

Approved March 28, 1974

CHAPTER NO. 324

AN ACT PROVIDING THAT PARENTS OF LONG-TERM RESIDENTS AT INSTITUTIONS ADMINISTERED BY THE DEPARTMENT OF INSTITUTIONS ARE LIABLE ONLY TO THE EXTENT OF THE COST OF CARING FOR A NORMAL CHILD AT HOME AS DETERMINED FROM STANDARD SOURCES BY THE DEPARTMENT OF INSTITUTIONS.

Be it enacted by the Legislature of the State of Montana:

Section 1. There is a new section to be numbered 80-1605, R.C.M. 1947, which reads as follows:

80-1605. **Parental liability for costs incurred by resident of institutions.** (1) The natural or adoptive parents of persons who are long-term residents at facilities owned or operated by the department of institutions